Horse Trading in the Age of Cars

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Historically, the buying public used the terms “salesman” and “dealer” as though they were synonymous. The conflation makes sense because in smaller dealerships the owners commonly worked the sales floor. In larger firms, however, and especially in franchises that operated out of multiple locations, there usually were sales managers and other levels of personnel between the salespeople and the owner (dealer). Just as the negotiation over price was a zero-sum game between the buyer and the seller, so was the division of profits between the salesman and the house. While it might make no difference from the customer’s perspective if the person trying to squeeze the last penny out of the deal was the owner or an employee, that distinction had great significance from the seller’s side: what the salesman got, the dealer lost. The three-way conflict among the customer, the salesman, and the dealer contributed significantly to the masculinized culture of the showroom floor.

**The Car Seller’s Career: Nasty, Brutish, and Short**

Almost from the beginning of the retail car business, franchise owners debated the best way to compensate salesmen. Salesmen always received commis-
sions, occasionally they got an advance against commissions, and sometimes they even got a salary augmented by commissions. The formulas for determining the commissions varied widely. They were variously based on the number of units (individual cars) sold, on the price of each unit sold, on the net profit for each deal, taking into account both the selling price and the trade-in allowance—all of which could be modified by additional commissions from financing, insurance, and dealer-installed accessories. In addition, there were often sliding scales that increased commissions as the number of cars sold increased, bonuses based on various sales contests to reach certain individual or collective goals, or to sell slow-moving models, or almost anything else an executive could dream up to motivate the sales staff.¹

Dealers often made it a practice not to let the staff see the car invoices, so salesmen had no idea what sort of margin they were working with. Just as the salesman was expected to squeeze the last dollar out of the buyer, the dealer would squeeze the last dollar out of the salesman by withholding the information he needed to cut a fair deal with the customer and calculate his own commission.² The competing interests of salesman and management, combined with the generally no-holds-barred culture of the showroom floor, meant that the relations between the sales staff and the dealer could become positively toxic. The heartbreaking collapse of Shelley Levine, the real estate salesman in David Mamet’s play Glengarry, Glen Ross, could have been the story of almost any car salesman, except that Shelley was at the end of a long and successful professional life, a rarity among cars salesmen. Automobile salesmen worked in a Hobbesian environment where professional lives were typically “solitary, poor, nasty, brutish, and short.” One ex-salesman noted that while their customers regarded them as cheats, pickpockets, cutpurses, and con men, their bosses thought of them as “something akin to itinerant fruit pickers” who could be fired as soon as the crop was in and sometimes refused to pay them the money they had earned.³

Becoming a car salesman was rarely a prime career move, although the industry fought a losing century-long battle to elevate its status. In his description of the origins of the modern sales profession, historian Walter Friedman accepts the automobile industry’s view that by the 1920s their products were being sold in a modern and scientific way.⁴ The carmakers did indeed picture their ideal salesman as the antithesis of a horse trader. He was a man who knew both his product and his customers and who, with hard work and a positive attitude, could, claimed Chevrolet in 1930, be in the top 6 percent of all wage
The real situation was very different from the corporations’ preferred image, however. Successful car salesmen were not particularly knowledgeable or helpful, and most were not successful.

One salesman who was successful illustrates the difference between the ideal and the real. In the 1960s and 70s, America’s ultimate car salesman, Joe Girard, would regularly sell more than a thousand cars a year. Girard personally sold more cars than 96 percent of the dealerships in the country. Yet Joe Girard’s approach to sales was neither particularly modern nor scientific. He violated two fundamental principles stressed by manufacturers and dealers: first, he knew very little about the technical features of the Chevrolets he was selling, which made sense because he also violated the second principle by always selling the price, not the product. Girard understood that car selling was as much about the deal as the car. What he did not know about engine torque, he made up for with his understanding of accessory packages, trade-in values, and anything else that would let him cut the price until he nailed the sale. The factory and the house might have thought that customers bought cars, but Girard knew that they bought deals, and he was a dealer even when he was not the dealer. As the quintessential transportation salesman, Girard was a trader who could have sold horses in the 1890s or cars in any decade after 1910.

Pre-1910, cars were sold as novelties. Writing in 1911 about the “olden times,” an automotive executive said that early car salesmen did not know very much about their products beyond being able to drive them. Time and again those seeking to professionalize the cars sales vocation dismissed this first generation of salesmen as not being able to do anything more than take prospects for joyrides and let the excitement of speed and power sell itself. By 1911, though, times had changed. Manufacturers, dealership owners, and industry pundits began to insist that the new-car salesman had to be professional, with a “vast amount of knowledge” and a genuine concern for the long-term well-being of the customer. Vocational schools and how-to books promised to provide the necessary instruction for a career in what one called “this big money making field.” The manufacturers themselves created short courses, workshops, books and pamphlets, training films, and other educational devices that gave the official view of how retail car salesmen were supposed to operate. Most of these instructional aids were intended for franchise owners and sales managers, but at least one manufacturer ran a school for salesmen where it paid the men to take courses not only in salesmanship but also in technical subjects that trained them “to assemble and disassemble the various parts of the car.”
By World War I, however, the importance of technical knowledge was being soft-pedaled because “mechanical talk always leads to confusion and argument.”\textsuperscript{12} The new emphasis was on selling skills, not axle bearings. The salesman’s job was now to go out and find the prospect and say to him: “Good morning! Mr. So-and-so. I understand you are thinking about buying an automobile. (Don’t stop here to allow him to answer this question until you finish by saying, ‘Of course you’re thinking of buying one. Everyone is.’)” The salesman was then to recite his car’s virtues while starting to fill out the order blank and shrugging off the prospect’s protests that he was not ready to buy.\textsuperscript{13}

From the end of World War I to the end of the century, the official script for the sales process remained essentially unchanged and was notable for the absence of any reference to negotiating prices. Roughly in this order, the ideal salesperson was supposed to:

1. \textit{Canvass for prospects}: reach out to find customers, not wait for them to walk in the door.
2. \textit{Qualify the prospect}: make sure the prospect was ready and able to pay.
3. \textit{Present the vehicle}: find a car the prospect wanted and demonstrate it in a way that emphasized the buyer’s needs and desires.
4. \textit{Close the sale}: turn the prospect into a customer by getting him or her to sign a purchase contract.
5. \textit{Offer the allowance}: get the buyer’s current car appraised and present the trade-in allowance.
6. \textit{Sell aftermarket accessories}: convince the buyer to purchase financing, insurance, and extended warranties through the dealership.
7. \textit{Deliver the car}: turn the car over to the buyer in a way designed to make the customer feel that he or she had gotten a great car at a great price.\textsuperscript{14}

By never mentioning price haggling, the factory-authorized sales scenario perpetuated the myth that every new car should sell at list and every trade-in should bring a fair profit as a separate transaction. This was true not only before World War II, when the entire industry pretended that all cars were sold for what the manufacturer suggested, but also in the wild and woolly 1950s, when the manufacturer’s list was practically a trade secret. An academic expert on salesmanship told the dealers at the 1959 NADA convention that the salesman who begins “dickering and haggling, too often settles for a loss or goes away defeated.”\textsuperscript{15} Both factory and dealership management clung to the fantasy
that any day now the auto retail business would be staffed by polite, technically knowledgeable, low-key professionals who would eschew what a NADA executive called the “manipulative or adversarial tactics that chase away today’s customers.” These benign sales staffers would help their customers define their transportation needs and then fill them so smoothly that list prices would be selling prices and fair trade-in allowances would always prevail. Not only would the customers pay top dollar, they would return every couple of years to buy a new car from the same salesperson and recommend this paragon of retail service to all their relatives and acquaintances.

The Sales Game: Tactics

For there to be an ideal car seller, there had to be an ideal car buyer who paid full price and accepted whatever was offered in trade. Salesmen often referred to such buyers as “lay downs” or “barefoot pilgrims.” Sometimes the barefoot pilgrim’s route led to the showroom door, but sales staffers were also expected to go out into the field and entice them in. A department store did not expect its clerks to find customers. The customers came into the store, and the clerk offered to help them find what they were looking for. Dealers had “stores” (although the industry did not use that word to describe showrooms until after World War II) but did not have customers; they had “prospects.” Prospects were not necessarily people who wanted to buy a car from the salesman. Prospects were people who needed to be convinced that they wanted to buy a car from the salesman.

Dealers have never thought that their salesmen should act like department store clerks waiting for the customers to come to them; they should go to the customer—originally, with the product itself. Into the 1930s, sellers would first meet prospects at their houses to show them sales brochures and then return with a demonstrator car to take the prospects for a test drive. Until the mid-1920s, the salesman himself did most of the driving. Prospects stayed in the passenger seat—either because they did not know how to drive, or because the salesman knew how to drive the car in a way that emphasized its strengths and hid weaknesses such as an inability to climb hills. When the short-story character Reginald Randolph decided to buy his first automobile in 1910, he and his wife enjoyed several extensive drives through the park with the salesmen of competing brands. One was bold enough to suggest that Reginald take a turn behind the wheel. The novice driver, who could not tell the knobs and levers apart, ap-
plied the emergency brake when he meant to shift and produced “a horrible grinding, as if the car was being torn asunder.” When he did shift, he almost drove into a tree while shouting “Whoa! Whoa!” at his mechanical steed.  

It pained dealers to see their staff sitting in an empty showroom waiting when they could be working the phones or ringing doorbells. Sales supervisors believed that there were plenty of people who would buy that car if a salesman took the initiative to approach them the way insurance, encyclopedia, and vacation-home salesmen did. In the 1920s and 30s, when salesmen had no leads, they were advised: “Solicit everybody in your community on the theory that some time or another everyone is a prospect for a car”; or, only slightly more specifically, “Pick out a street or group of streets and cover each home or business house systematically. In rural communities go up one country road and down another.”

The idea of wandering up and down rustic roads and knocking on farmhouse doors like an old-time Yankee tinware peddler held little appeal for the average car salesman because they thought canvassing was a lot of effort for very little return. Nevertheless, the pressure to hustle for prospects was relentless. If it wasn’t country back roads, salesmen were told to cruise downtown office buildings, either in person or by telephone. Dealers had all kinds of ways to encourage or coerce their sales people to drum up leads. Some paid their staff on a per-call basis; others would not let them have access to walk-ins (called “ups”) until they had scheduled a certain number of sales presentations by phone. A Kansas City Ford dealer, who required ninety minutes of telephone calls daily from every member of his sales staff, said it was either that or “have six guys standing on the showroom floor waiting for something to happen.” In 1915, a time when few people had telephones and fewer had cars, one would-be buyer made the mistake of mailing off magazine coupons for catalogs of cars he was idly considering. Instead of catalogs, he got a steady stream of automobile salesmen ringing his doorbell. Other popular techniques included talking to owners waiting to have their cars serviced, following up publicly reported car thefts and garage fires, contacting car owners when they had paid their final installment, and soliciting names from current and past customers.

In New York City at mid-century, particularly aggressive salesmen congregated at passenger piers and airports to high-pressure servicemen returning from overseas into signing contracts for new cars. The New Yorkers called this process “bird dogging.” The term “bird dog,” however, usually referred to people like tow-truck drivers, garage mechanics, insurance men, parking-lot
attendants, and auto parts supply store clerks who could give salesmen the names of people who probably needed a new car. Salesmen also lured potential buyers into the showroom with “would you take” offers. As early as 1919, salesmen were walking the streets and placing tags on parked cars asking if the owner would accept a specific sum as an allowance on a new car. Handwritten and geared to the particular vehicle, the tag would promise a price far in excess of what the car was worth as bait to bring the curious car owner onto the salesman’s home turf.

Dealers and manufacturers grumbled that salesmen refused to make cold calls, distribute “would you take” tags, or even send out personal postcards because they were just plain lazy. “Every time we run an ad for salesmen,” said one sales manager, “we get a large supply of drifters, loudmouths, and failures.” He said they refused to “make phone calls. They won’t send out literature. They won’t line up bird dogs. All they want to do is live off the floor traffic.” What was laziness from the dealer’s perspective was commonsense conservation of energy from the salesman’s. As a rule, experienced salesmen refused to do anything that they thought had a low probability of resulting in a sale, including talking to some walk-ins, which is why they often ignored women, poor people (often ethnic minorities), and obvious “looky-loos” (people “just looking”). Exasperation with car salesman laziness would be a perennial motif in dealer commentary and was one reason some managers preferred to hire salesmen from outside the auto industry. Inexperience with automobiles was good, one said, because “in this business, experience amounts to a set of bad habits.”

The would-you-take gambit to get prospects into the showroom was a classic version of the so-called highball, which had its natural reciprocal, the lowball. The terms, apparently borrowed from the names of baseball pitches, varied somewhat in meaning from time to time and place to place. Ultimately, however, they implied the same thing: the salesman was offering the customer a price much lower than the dealer would possibly give. The terms first became common in the 1950s, although the techniques themselves are as old as car bargaining itself. Most commonly, a lowball was an unrealistically low quote on a new car, offered either on the phone to bring a prospect into the showroom or to the prospect as he was walking out to bring him back. A highball was a similarly unrealistic price offered for a trade-in, either in a would-you-take offer or as a parting enticement to get a customer to return. “You are a salesman, not a store clerk,” thundered a car sales instructor. “If you know that you can only discount the car another $100, then discount it up to $300 in order to get the com-
The salesman knew that $300 was a phony offer but would take it back after the “commitment” when he sat down with the prospect and told him to “be reasonable.”

A particularly nasty version of the lowball involved a “purchase order” that included a trade-in allowance and a deposit (but not a sales contract). The customer would wait for the car, which would never show up. Whenever he contacted the dealer to ask what was happening with his order, he would get a double-talk response and the suggestion that he come in to the showroom where they just happened to have a model similar to the one he wanted but with additional accessories (a pack). The dealer counted on the buyer’s expectation of driving a new car and exasperation with waiting to break down his resistance to the higher-priced vehicle.

Dealers and salesmen who tried to deport themselves honestly often disavowed lowball and highball offers. This was especially true for dealers who sought repeat business and tried to avoid making customers angry. However, the temptation not to lose a prospect was strong, and even in more honest stores the subjunctive mood of horse-trading promises persisted in the language of negotiation. “Would you take” was joined by “what if I could,” “I’ll try to get,” and “it could be worth”—and of course the classic “What will it take to get you to buy this car today?”—expressions that did not actually promise anything but left the impression that they did. Technically (if, indeed, one can be “technical” about the argot of unethical commerce), an over-allowance was not a highball, because the customer actually received the proffered amount. Of course, what the right hand gave for the trade-in, the left hand took away in an inflated price for the new car. Moreover, the hand that gave and the hand that took away in car dealerships often belonged to two different people. In the parlance of postwar car dealing, the prospect was “turned over” to a second salesman to close the sale.

The “turn-over” (sometimes referred to as the “take-over,” and often as the “TO”) to a “closer” is considered by many, both inside and outside the industry, to be the heart of high-pressure auto sales and the symbol of postwar excess. Yet like most of the other components of car dealing, turning a customer over to a closer was an established practice in the industry long before the 1950s. In June 1914, Ford’s corporate sales manager wrote to every dealer, rhetorically asking, among other things, “Do you have one man in the salesroom office who is known as the ‘Inside Closer,’ and who devote[s] all of his time in actually closing prospects when salesmen bring them into the showroom?” Ideally, the
closer would do his work in a specially designated “closing room,” where “there is nothing to distract the prospect; it is quiet. He cannot but listen to you.” Similar processes have been used at least since the 1920s by other big-ticket retailers, some of whom might also trim the tag price if pushed. Price negotiation does not require a turn-over, and turn-overs can exist without price negotiation. However, only the automobile sales system was built on the underlying logic of the turn-over. The auto system assumed that almost all customers would haggle over price and that the best way to get maximum profit from bargaining prospects would be to wear them down with a roster of serial negotiators.

The owner of a Ford dealership in the Bronx, for instance, prided himself in running “a company where customers feel they are not being abused or mistreated.” “We do not use any pressure,” explained Vic Goldsmith, the firm’s vice president, in 1956. Apparently Goldsmith did not consider their automatic double turn-over “pressure.” It was the salesman’s job, Goldsmith explained, to “beat the bushes, scrape the barrel, qualify and put [the deal] on paper,” for which he would receive one silver dollar, whether or not a sale was made. It was then the assistant manager’s duty to bring the salesman’s promise “into the realm of acceptance.” In other words, the prospect was lowballed by the salesman and then bushed by the assistant manager. Having jacked up the price once, the assistant manager was required to make a second turn-over to the sales manager, “the true expert in his field, to make it a profitable transaction. It is up to these men to work for that extra $10 in a deal because they are more skilled closers,” concluded Goldsmith. This tale of triple-teaming all customers to wring the last ten bucks out of them was featured in Ford’s own dealer magazine as a positive object lesson for other store owners.

The Monroney price sticker had no impact on the TO system because both sides in a car sale still expected to haggle over price. Rather than decrease the haggling, the sticker made the buyers even more price conscious, so as one salesman observed in 1959, “Car buying, always a horse-trading game, has developed into a fight for the last drop of blood between the seller and buyer.” Indeed, there were dealers who believed that if they did not turn over a customer to a second salesman, the customer “would suspect he didn’t get the best possible deal.” The final attempt to raise the price, even if only a few dollars, was known as the “bump.” As one Ford dealer observed, “There is always a little more gross obtainable from a buyer.” And if the bump failed, it still had the effect of convincing the customer that he had gotten the best deal possible. The idea that buyers wanted to work their way through layers of salesmen because it
convinced them that they were fighting hard for the last dollar reflects the ritualization, or scripting, of the bargaining process. In this sales model, both the buyer and seller expected to proceed along a predetermined path. They both understood the steps involved, and for the ritual to reach a successful conclusion, both sides had to abide by the unspoken but mutually understood rules.

The car buying drama involved a certain amount of improvisation, and the exact climax (the net price) was not in the script. Furthermore, there was always a small percentage of the public who did not know the parts they were supposed to play. The salesman’s role in the performance varied according to the size of the dramatis personae. Where there was a long list of players, some of the salesmen in the process did not do any negotiating. For example, in the late 1960s a Los Angeles Ford dealer explained that the first-level “sales order” was no such thing, but was “similar to those used in the real estate field.” By this he meant that the manager was analogous to a homeowner, and the salesman was merely the agent conveying the prospective buyer’s offer (not order). Management would automatically reject the offer, and the prospect would be handed off to the turn-over man, who would proceed with a “friendly renegotiation.” The role of the closer before World War II was to overcome customers’ doubts about the product. In the postwar marketplace, however, the closer became a distinct negotiator, whose job it was to increase the price to a customer who had already agreed to buy.

Dealerships using a fully developed TO system might have six (or more) turn-overs for each sale. The first sales staffer a walk-in prospect would meet was the liner or greeter, whose job it was to make the customer feel welcome and to determine what brought him (or, increasingly, her) onto the lot. The greeter would then introduce the customer to a “qualifier” (turn-over number one), who would try to determine if the buyer were serious or just a looker and get some idea of what kind of the car the customer wanted. Assuming the customer was “qualified,” he or she would be introduced to a salesman (turn-over number two), who would try to find a car in stock that the customer liked as well as to secure some kind of a written commitment that the customer was willing to buy the car at some price, no matter how unrealistically low.

At this juncture, two other employees would enter the picture: the salesperson’s manager and the used-car appraiser. The initial sales staffer would introduce the customer to the manager (turn-over number three), who up to this point had may have been “consulted” by the salesperson in frequent trips to the back office. Industry lore says that the closing room in which the customer and
salesperson had been dickering was frequently bugged so that the manager could
monitor the negotiations and eavesdrop on conversations between couples when
they thought they had been left alone. The manager would continue to nego-
tiate new car and used-car prices and, if the customer were a hard bargainer,
might turn the prospect over to yet another manager for another round of hag-
gling (turn-over number four).

The second TO manager would sign the official purchase agreement, shake
the buyer’s hand, and turn the customer over to the finance and insurance (F&I)
manager, who was in fact a specialized sales staffer (turn-over number five). The
F&I manager drew up the actual purchase contract but also negotiated loans
and attempted to sell finance insurance, extended warranties, and a variety of
dealer-installed options such as undercoating, paint protection, and fabric guard.
In a truly unscrupulous house, the customer might be turned over to a sixth per-
son, who actually delivered the vehicle and would attempt to extract one final
bump in the form of a delivery or service fee. This total of six turn-overs as-
sumes that the customer had not been originally prospected by a sales staffer or
turned over to the used-car appraiser for a separate set of negotiations.

In its more extreme form, the TO system transformed the first-level floor
staffer’s role back to something resembling that of a standard store clerk. The
salesperson was there to be friendly, knowledgeable about the product, and
helpful in filling the customer’s needs. He or she was a nice person who might
gently suggest that the prospect’s offer on the new car and allowance expecta-
tions were somewhat unrealistic, but he or she would be positioned as the cus-
tomer’s friend. Just as the sales staff in a standard retail outlet had no control
over the price, neither did the first-line salespeople in a TO house. Their job
was to sell the product, not the deal, and to be part of what one critic called “in-
stitutionalized patience.”

Car sales techniques could range from the multiple turn-overs in high-vol-
ume urban stores, to situations in small dealerships in which the same person
greeted prospects and worked with them at every step until the final sales con-
tract was signed. Compensation systems varied according to how many indi-
viduals participated in a sale. Thus, depending on the sales structure of the par-
ticular firm, the salesperson might be locked in combat with the buyer or be
operating as the customer’s semi-ally against the house, as represented by the
sales manager. Similarly, the salesperson might be cooperating with various
other levels of staffers to keep ratcheting up the price of the deal or working
alone against the prospect. The salesperson would also be in competition with
other salespeople to get good “ups.” Some houses gave floor staffers turns with walk-ins, while others had an “open floor,” where salespeople competed with each other to attract the attention of likely looking prospects and tried to hand off people they regarded as non-buyers, referred to as “flakes.”

The Sales Game: Strategy

Conscienceless car sales have a long, if not exactly venerable, history. For example, while passing on selling tips to others in 1924, an award-winning salesman explained that when he left the showroom to visit a prospect at his office, he never turned down a deal because he could not give the expected trade-in allowance. Instead, he said, he wrote up the order with the customer’s figures and took a deposit: “The prospect now thinks he has bought a car and goes home and tells his family and maybe some friends.” When the sales manager rejected the deal, the salesman would return to renegotiate, placing the blame on the house. At about the same time, in the mid-1920s, a Ford salesman displayed even lower standards when he sold an ill and impoverished young father a new car, taking the family’s last $200. When the man died and his widow could not meet the car payments, the dealer repossessed the family’s sole asset and sold it for costs. “I know this sounds pretty tough,” he admitted, “but when it’s a case of your own scalp or some other fellow’s, you can’t afford to be too particular.” He assuaged his conscience by donating twenty dollars toward the sales victim’s funeral.

As these stories illustrate, the twenties, not the fifties, was the decade when aggressive sales techniques became the industry standard, and their use grew over the next thirty years. Until the 1950s, industry voices regularly called for honesty and restraint, and for selling cars on their merits, not on their prices. But after the war, they were drowned out by the noise of the Hull-Dobbs-customer-disassembly-line. Horace Hull and James Dobbs started their Ford business in Memphis, Tennessee, just before the war. They expanded rapidly during the war by selling used cars and parts that they had presciently stockpiled. They also initiated an incentive pay scheme that became known throughout the industry as “the system.” It worked so well that Hull-Dobbs grew into a regional chain of more than twenty outlets and is often credited with being the industry’s first mega-store. The Hull-Dobbs system combined existing techniques that emphasized pressure and misdirection. Customer satisfaction was sacrificed to sales volume. The essential element was an unrelenting pres-
sure to buy now! Multiple turn-overs were one way to apply that pressure, but there were others. When novelist Benjamin Cheever, who was between jobs and between books, took a turn at selling cars in 1997, one of his colleagues spoke approvingly of a salesman “who once threw a customer up against the wall and said, ‘You’re not leaving here until you buy a fucking car.’”64 That was the spirit, albeit in an exaggerated form, behind the system.

Reduced to its simplest formulation, the system was bait-and-trap, a coercive variation of the more traditional bait-and-switch. Advertising fantastic prices that did not exist was the bait. The trap kept the prospect from turning into a “be-back” (from “I’ll be back”) who would never return. The multiple turn-over was the most common trap, but the most renowned trap involved actually holding prospects in the store against their will. Involuntary detention is one of the few areas where car sales generated the same kind of folklore as horse trading. Salesmen claimed to have heard of colleagues who would lie down in front of a car to prevent a prospect from leaving or hang on to the door handle as though they could physically hold the customer on the lot.65 It would be easy to dismiss such stories as an amalgam of salesman machismo and buyer paranoia, but even the legendary “lost key” delay tactic has a basis in fact. In 1994 a Nissan dealer in Texas was fined over five million dollars for, among other things, keeping a deaf-mute customer trapped in the showroom for more than four hours by telling him they had misplaced his keys.66

Prospects who handed over their keys so that their trade-ins could be appraised might find that their keys had been “lost,” but prospects who handed over their certificates of title could lose their cars. Stories abounded about people who had been induced on one pretext or another to give their titles to salesmen. Sometimes the owners signed them, other times their signatures were forged, but in either case the dealership would sell the car while they were looking at a new vehicle. When the prospects asked for their cars back, they would be told that a “mistake” had been made and the car had been sold, but the seemingly chagrined salesman would promise a particularly good deal on a new car.67 Again, it would be easy to dismiss this oft-repeated tale as apocryphal, but H. J. Caruso, a southern California dealer, was convicted of doing exactly this (and a lot more) in 1957.68

Lowball and highball offers functioned as both bait and trap. The promise of a great discount on the new car or a great allowance on the trade-in would entice prospects into the store and keep them negotiating once they were there. Prolonged bargaining gave the prospects time to think of the car as theirs and
created a sense of invested effort that the buyers were increasingly loath to waste by walking out. Invested money was even better than invested time to keep the prospects talking. Sales experts advised that when ostensibly accepting a customer’s unacceptable offer, a salesman should ask for a cash deposit that he could show to his manager as a token of the buyer’s good faith. The deposit was a key link in keeping the buyer in chains. Now the customer would have to get the money back before walking.

The Hull-Dobbs system stressed deals, not cars, and the deals were often made on the size of the monthly payments, not on the final cost. By selling the payment, the dealers kept the customers from knowing the new-car price. One salesmen’s guide noted that at some point the prospect would probably “want to know exactly what he is obligating himself for—and ‘dollars-per-month’ is the most palatable way to give this to him.” Selling the payment was intended to confuse the customer, because in addition to talking about the price of the new car and the trade-in allowance on the old car, the customer was bargaining over finance rates and dealer-installed options. Keeping the confusion level high and the customer off-balance was an essential part of the process. Dealers instructed new salesmen how to jump back and forth among the various components to prevent the buyer from nailing down the cost of any one of them. To keep the customers in the dark, one Los Angeles dealer trained his men to break their own pencils and grab the customer’s pencil if the prospect began to keep track of numbers by jotting them down.

The salesman was supposed to control the numbers as part of the process of controlling the prospect through every step in the process. To keep track of the figures, salesmen used a worksheet that often took the form of a paper divided into four squares by crossed lines. One square was for the price of the new car; the second was for the trade-in allowance; the third was for the down payment, and the monthly payment was in the fourth. Using a heavy marking pencil, the salesman entered numbers in each cell of the four-square worksheet. “Good penmanship is essential,” instructed a manager. “This makes it harder for them to negotiate.” Ultimately however, even big, bold, and carefully written numbers had to be adjusted. “When you negotiate, this sheet should be covered with numbers,” the manager continued. “It should be like a battleground. And I don’t want to see the price dropping five hundred dollars at a pop. Come down slowly.” The idea was to keep adjusting the numbers in the boxes so that the monthly payment figure was one that the buyer could afford. By bouncing around among the cells, crossing out old numbers and adding new ones as the
relationships changed, this crude spreadsheet was used to confuse the buyer about everything except the monthly payment.74

Car Dealers’ Reputation and Character

Not every franchised dealership was a high-pressure-system house, and many new-car dealers wanted the buying public to respect them as legitimate purveyors of a high-quality product. Used-car dealers, on the other hand, inherited the soiled reputation of horse traders from the very beginning. Horse traders, however, were sometimes depicted as clever scamps, while used-car dealers could not extract even that minor concession from public opinion. When Roald Dahl had to choose a job for the nasty father in his 1988 children’s book Matilda, he made his character the speedometer-tampering proprietor of the Wormwood Motors secondhand car lot.75 At the Democratic presidential convention of 1960, Kennedy supporters carried posters with a glowering portrait of Republican candidate Richard Nixon over the caption, “Would you buy a used car from this man?”76 Although they did not know it, the Democrats were using the same ploy their party had used almost a hundred years earlier against Abraham Lincoln when they predicted he would be defeated in the election of 1864 and return to Springfield to swap horses. It is telling that the Nixon jibes referred to a “used” car. New-car dealers and salesmen retained a smidgen of good character in the public’s opinion, but used-car salesmen occupied the darkest corner of the shady retail world.

Used-car dealers were publishing protestations of their credibility as early as 1909, and their reputation as untrustworthy had been firmly established by World War I.77 Buying a used car “is almost as risky as buying a horse, and perhaps more people are cheated every year in purchasing an automobile than were victimized with worn-out horse flesh,” warned a 1918 article on “How to Buy a Secondhand Car.”78 Used-car dealers, like horse traders, existed on the unsavory fringe of the transportation business, occupying vacant lots on the outskirts of town or wedged in the perpetual gloom between big city buildings. They drew attention to themselves and their stock with flashy signs, flashy lights, and flashy clothes. If you foolishly choose to buy a used car from a dealer rather than from a private party, advised a postwar writer, “mentally sneer at everything he says. Know in your mind that he is trying to cheat you out of every possible dollar, and fight him all the way.”79

This advice to buy from a private party needs to be seen in the context of the
wartime and immediate postwar used-car business, which achieved a national reputation for outrageousness. Earl “Madman” Muntz earned his notoriety as the Barnum of the car business through his advertising man, Mike Shore, who ran a series of radio and billboard ads for Muntz during the war in which he quoted the dealer as saying: “I want to give them away, but Mrs. Muntz won’t let me, she’s crazy; I buy ’em retail, sell ’em wholesale—it’s more fun that way; and, just sound your horn, we pay by ear.” At the same time, a Dutch-American used-car dealer and an Italian-American used-car dealer were battling in New York for the right to do business as “the Smiling Irishman.” (A local Irish-American also doing business under that name remained litigiously aloof.) The Dutch-American, Tony Holzer, also operated a used-car lot in California under the moniker “Hog Wild Tony Holzer, a Bundle of Bedlam in Beverly Hills.” What set Muntz apart from characters like Holzer was the friendship between Shore, his publicity agent, and joke writer Allen Woods, who made Muntz a running gag for the comedy team of Abbott and Costello. That is how the “world’s largest used-car lot” became a stop on tourist bus tours of Los Angeles.

After the war, Muntz became a dealer for the short-lived Kaiser-Frazer brand automobile and then moved on to sell the television sets that broadcast the even more outrageous sales stunts of his successors. Live and late at night, a new generation of used-car dealers performed ridiculous pranks and offered unbelievable deals to attract prospects to the lot. Of course, when they got there, the customers always found that the advertised car had been sold. That is, except for one memorable moment when a customer lay in wait for used-car dealer Les Bacon, raced in front of the live camera waving his money, and demanded the featured bargain. The absurdist nature of the advertising gimmicks was both a latter-day reincarnation of the game-playing misdirection of horse traders and the hyperbole of carnival barkers and snake-oil salesmen. Customers recognized that most of the claims were ridiculous, but the fast-talking pitchmen caught the attention of potential buyers and lured them into the store where the salesmen could work their wiles.

Even before the war, some reformer was always trying to clean up the used-car business and the image of its salesman. “There is a large potential market for a different type of used car,” a marketing book promised in 1929. It would have to be one that is not “improperly conditioned, misrepresented, and sold by unreliable dealers.” In 1950 an ad for an Akron, Ohio, used-car dealer boasted, “I can go home at night with a clear conscience.” Fabulous Sam, another dealer of the same era, put up huge billboards that promised, “If I can’t help you,
I won’t hurt you.”85 Just in case the customers for some reason did not believe sellers like this East Coast dealer decked out in cowboy duds and smoking a big cigar, the National Used Car Dealers Association and the National Independent Automobile Dealers Association (both representing used-car dealers) expended a lot of effort to convince the public that their members did not deserve their terrible reputation.86 New-car dealers, almost all of whom sold used-car trade-ins, smarted at being lumped into the same category as independent used-car dealers. When a San Francisco Plymouth dealer spoke about his used-car operation to the 1953 NADA convention, he opened his talk by saying, “Ladies and Gentlemen,” then assured them he used the term “gentlemen” because he knew it was true. “However,” he asked, “how would our public address this assembled group?” They would say, “Good afternoon, you . . .” and he listed: chislers, camouflage artists, millionaires, price extortionists, and misleading advertisers.87

Every decade or so another representative of the used-car industry would step forward to assure the public that while things may have been bad in the past, a new leaf had been turned.88 The public would have none of it. Cartoons, jokes, movies, and countless cautionary articles continually reinforced the image of the duplicitous used-car dealer. “Don’t go to almost any used-car-only dealer,” warned a long how-to article in 1968, “the ‘almost’ being the best concession you dare make for the absolutely ethical men, of which there are some in the business.”89 One of those “almosts” must have been the angel standing on a cloud in a 1987 New Yorker cartoon who says to his friend, “I was a used-car salesman, but I was terrible at it.”90 “The used-car industry stood for everything shifty-eyed and raffish in American business. It skulked on the margins of respectability and swarmed with pomaded torpedoes named Rudy or Sid,” recalled an industry journalist.91

While new-car salesmen may not have been perceived as the salt of the earth prior to the war, neither were they automatically assumed to be Satan’s spawn. That changed in the 1950s. If, as the New Yorker cartoon implied, only ineffective used-car salesmen went to heaven, the opposite was true for new-car dealers. They worried that their success at selling new cars meant they were going to hell. A skit put on by car dealers for car dealers at the 1951 NADA convention opened with an offstage voice telling the onstage dealer it was “the voice of your conscience.” “Oh, no, not my conscience!” the dealer cries. “I don’t want any conscience following me around. Good Lord, man, I’ve been an automobile dealer!” “Don’t worry,” the voice replies, “I’m not talking to you from hell. I’m
Like similar convention skits and speeches in the 1950s, it went on to remind the audience of the many ways that dealers were honorable citizens and businessmen. The skits spoofed coarse and unprincipled sales techniques as a way of reminding the conventioneers to control themselves and their salesmen lest they perpetuate the negative stereotype.

Much to the new-car dealers' frustration, their reputation hardly improved over the next half-century. They were willing to concede that the situation might have gotten out of hand in the 1940s and 1950s but insisted that things had changed. "The last 30 years have been spent bending over backwards to clear the car dealer's tarnished reputation," a dealer's wife pleaded in 1995, why wouldn't the public let bygones be bygones? In 1979 one optimist had predicted that in twenty years car salesmen would be licensed, bonded professionals governed "by an enforceable code of conduct." However, 1999 came and went, and car consumers saw no change. A steady stream of polls and studies, including those sponsored by the industry itself, confirmed the public's opinion. While the auto journalist who suggested that car salesmen "were slightly above child molesters in the public's opinion" may have been overstating the case, polls showed that the public had little good to say about car sellers.

A seller-to-seller how-to book in 1982 admitted, "We have all been conditioned not to trust most people—especially salespeople, and especially, especially automobile salespeople." Then he added, "Our reputation is well deserved." Dealers could not catch a break. When the Honda corporation introduced a humanoid robot to the public in 2002, the Associated Press referred to it as the "most honest car dealer ever." Like their used-car brethren, new-car salesmen were perceived as having both the morals and the fashion sense of riverboat gamblers. To counter the constant barrage of negative press, the new-car dealers borrowed a technique long used by secondhand car sellers; they advertised the fact that they were honest. Like a drug-free bodybuilder or a well-dressed academic, an honest used car-dealer was considered worthy of note. Only an auto dealer could be proud enough of simple honesty to brag, "No ridiculous claims to get you in," "No lowball prices to get you to come back," "No misquoted payments."

The industry also tried to counter its negative image with promises of reform. On both the national and regional level, and with depressing regularity, the retail car business sought to cultivate a more favorable reputation by adopting codes of conduct and ethics. In 1955, during the run-up to the Monroney hearings, NADA promised fair prices and accurate advertising, along with sup-
port for highway safety. In 1961, without much enthusiasm, the regional dealers’ group in New York adopted a set of “Standards for Advertising and Selling of New and Used Automobiles” that promised an end to the lowball-highball abuse. A year later the state association in Washington passed a ten-point code, eight of which were pledges not to lie, cheat, or steal. NADA was back at it in 1971 with a “Program of Self-Regulation.” Finally (thus far), NADA introduced a sales staff certification plan in 1990, which it rejuvenated five years later with a strengthened ethics and law component.

The codes and certification programs, however, merely confirmed what they were trying to counteract since they promised nothing more than the kind of straightforward and honest behavior that customers simply assumed were the norm in other retail transactions. Explaining the meaning of his “certificate,” a Florida Ford salesman said, “This lets the customer know you’re there to take care of them and to abide by the law.” Members of the retail automobile industry may have bristled at the popular assumption that an honest car salesman was an oxymoron, but what else could they expect when the salesmen took pride in the fact that they had been “certified” to obey the law?

The structure of the car business made car sellers different from other sales personnel. The classic outside sales person (a manufacturer’s representative) had a comfortable, easygoing relationship with his or her customers. The sales rep returned regularly to introduce new products and renew existing orders. Pressure to make a sale may have come from the sales manager, but the reps had to maintain friendly continuing relationships with their customers. The classic inside sales person (a store clerk) was also disinclined to engage in hard-sell techniques because the whole department store environment assumed that customers could choose what they wanted at a single posted price—and in smaller stores there might also be a personal component in the customer relationship.

The most common exceptions to the low-pressure sales tradition were in businesses where the sales personnel worked on a high commission, where the expectation of a repeat business was very low, and where the salesperson came to the customer, not vice versa. Door-to-door vacuum cleaner, encyclopedia, and vacation property sellers were typical of this category, and they followed the trail blazed in the nineteenth century by lightening rod salesmen who were infamous for their use of high-pressure scare tactics to sell expensive devices of dubious merit for farfetched needs. The early history of car salesmen having to visit their non-driving customers combined with the continuing insistence by dealers that their salesmen actively canvass for prospects to create a retail envi-
environment conducive to a high pressure ("You have to buy now"), rather than a low pressure ("How can I help you?") shopping environment. As a result, the public came to view car salesmen as an unpleasant combination of the worst techniques of door-to-door sellers with all of the guile but none of the wit of their horse-trading precursors.

It was, of course, every sales person’s job to convince prospects that they need the seller’s merchandise, and car salesmen could hardly be faulted for aggressively representing their products to potential buyers. Furthermore, sartorial bad taste was not a violation of business ethics. The problem with so many car salesmen was deeper than noisy enthusiasm and plaid suits; it was the underlying assumption that the maximum amount of money had to be made on every deal. Salesmen who referred to themselves as robbers without guns may have been joking, but car buyers had every reason to believe that salesmen saw them as “marks,” targets of an elaborate con game that the customers had a responsibility to understand, because it was going to be played whether or not they knew the rules.\textsuperscript{107}

Stealing from customers was a time-honored tradition in the car business. A longtime Ford dealer, reminiscing about the good old days when new Fords sold for $678 with no discounts or over-allowances, remembered a used car that had been sold by a hot young salesman at a mislabeled price that was actually more than a new car would have cost. He had no pangs of conscience then or later about keeping the money.\textsuperscript{108} Other salesmen proudly told stories of deliberately selling befuddled buyers poor-quality cars several times over so that, as one salesman reported, a retired man who spent a total of $5000 for a car worth $2000 would be “paying out of his social security check forever.”\textsuperscript{109} In 1970, when a novice asked a veteran salesman if he gave discounts to his friends, the veteran laughed and said, “Man, I make most of my money off my friends. They aren’t looking for you to screw them, so you can really sock it to them.” He elaborated by explaining that he had made one of his most profitable sales to his sister, who bought a fully-loaded big car for top dollar.\textsuperscript{110}

Screwing your sister, even figuratively, and then boasting about it, indicates a certain detachment from mainstream values, but moral obtuseness was virtually guaranteed by the structure of the business. Discriminatory pricing meant that salespeople could maximize their income by increasing the numbers per unit as well as the number of units. Narrow margins on hard-fought deals were recouped by “the fool who pays the full list price because he doesn’t know any better, the guy who lets you steal his trade-in.”\textsuperscript{111} It was the dogma of the sales
floor that showing compassion would only result in somebody else plucking the prize. One salesman recounted the cautionary tale of feeling virtuous after convincing a young couple with a baby that they really could not afford a new car. The next day he looked out his window to see the same couple leaving a neighboring lot in a brand new car. When a different salesman expressed his concern about an F&I manager finagling an additional $10,000 from an elderly customer, he was reminded by a colleague, “You can’t be a salesman and expect to go to heaven.”

Images of heaven and hell appear frequently in the incidental discourse about car sales because the process plays hob with conventional norms about marketplace morality. Whatever the legal fine points of implied warranty, car selling violates the broader assumption that a business should not take advantage of a customer’s ignorance, to say nothing of the retail precept that “the customer is always right.” For car salesmen, however, moral principles could be just another set of tools to be used against the customer—as they were for an Atlanta car salesman who said that “most people think car salesmen have plaid jackets, white shoes, and Elvis hairdos and that they lie.” He claimed that he never lied and informed self-professed Christian customers that he attributed his success to “a higher power.” “In the car business,” he explained, with an auto seller’s off-kilter sense of values, “you have to build the rapport before you go for the jugular.”

Dealers resented their disreputable image and made periodic attempts to improve it by promoting ethical sales behavior, but they were trying to climb out of a deep hole. For example, CBS Evening News featured NADA’s sales certification course as “‘a school for scoundrels,’ a ‘seminar where showroom sharks come to confess their sins and repent,’ and an attempt to ‘save what’s left of salesmen’ souls.’” The real school for scoundrels, however, was the showroom floor. The store owners wanted to be both respected businesspeople and successful car sellers. The sales staff cared only about selling cars. Staffers looked to each other, not to the broader business community for instruction and standards.

An industry consultant described automobile sellers as “ego-driven people with low self-esteem [who] get into the business because they can’t do anything else.” There is plenty of solid evidence to back up the view of the typical car seller as a reasonably personable young man with little interest in either his customers or the product he is selling, who compensates for his low self-esteem by being highly manipulative of others. A 1988 survey sponsored by NADA found that 97 percent of cars salesmen were male, more than half were
under forty, and more than two-thirds had been in their current jobs for fewer than three years. In fact, salespeople frequently left after just a couple of months on the job, and in some geographic areas dealerships had almost a 100 percent turnover of sales staff every year.\(^{120}\)

Rather than being trained in professional courses like the NADA certification program, most salespeople were informally instructed on the job by veterans who passed on the techniques and values of the sales floor.\(^{121}\) The culture of the sales floor was expressed in a distinct vocabulary that was unusually elaborate for a job without specialized tools or technically unusual activities. Vocational argot is a universal phenomenon. Horse traders, for example, used it so that they could talk about various animal vices without alerting the buying public.\(^{122}\) Professional jargon in the retail auto business, however, was so abundant that authors writing about the trade often felt compelled to include glossaries.\(^{123}\) Some of the terms, such as turn-over, up, and lowball/highball, have become more or less industry standards. Others, however, appear to have been limited either by region or time period. Poor-quality used cars or trade-ins, for example, have been variously known as junkers, jalopies, dogs, sleds, rats, rough, iron, tin cans, shit boxes, yechs, and crappers, to name just a few of their colorful designations.

The lexicon of car sellers contributed to the game-like environment in which each sale was a contest to be won by making the maximum profit. This was different from non-auto retail environments, where the sales process was about serving the customer. Appliance sellers, for instance, earned their commissions when they found a refrigerator that filled their customer’s needs at an affordable price; paying was a mere formality. In contrast, finding a customer a car that he or she wanted to buy was only a preliminary to the main event. The car seller’s commission and the store’s profit would depend on his ability to beat up the customer in the closing room. That is what Chandler Phillips learned when he did a stint as an undercover salesman for the car Website Edmonds.com. Phillips had assumed he would tell the interviewer that he wanted the job because he knew and loved cars and could communicate that to his customers. No, said his editor, just tell him you are in it for the money.

Phillips took the advice and told the sales manager doing the hiring, “I want to make a lot of money.” He reported that the sales manager “smiled and relaxed, as if I had said the password to enter an exclusive club. If this had been a cartoon, dollar signs would have appeared in his eyes accompanied by a loud
‘cha-ching.’”¹²⁴ Phillips’s report, probably the best of its kind, lays out how, a half-century after the Monroney Act, car selling had hardly changed. The high-volume, high-pressure dealership for which he worked wanted salespeople who could use a procedure (the system) that “wasn’t to help customers make informed decisions, [but] was designed to catch people off guard, to score a quick sale, to exploit people who were weak or uninformed.”¹²⁵